plaintiff could recover on the check. *Montgomery Garage Co.* v. *Manufacturers' Liability Ins. Co.*, 109 Atl. 296 (N. J.).

For a discussion of the principles involved in this case, see NOTES, p. 76, *supra*.

BILLS AND NOTES — PURCHASERS FOR VALUE WITHOUT NOTICE — RESTRICTIVE INDORSEE AS A HOLDER IN DUE COURSE — EFFECT OF THE NEGOTIABLE INSTRUMENTS LAW. — The payee of six promissory notes made by the defendant was indebted to the plaintiff. As collateral security for this debt he delivered the defendant's notes to the X Bank indorsed: "Pay to the order of the X Bank for credit account of the plaintiff." Unknown to either the plaintiff or the X Bank the consideration given for the notes had failed. The notes were dishonored at maturity. Subsequently the X Bank indorsed them to the plaintiff, who sues the defendant as maker. *Held*, that the plaintiff cannot recover. *Gulbranson-Dickinson Co.* v. *Hopkins*, 175 N. W. 93 (Wis.).

A restrictive indorsement for the benefit or use of a third person passes the legal title to the indorsee as trustee for the third person. *Hook* v. *Pratt*, 78 N. Y. 371; THE NEGOTIABLE INSTRUMENTS LAW, § 36 (3). See NORTON, BILLS AND NOTES, 3 ed., §§ 62–64. Where a trustee takes legal title for a valuable consideration paid by the *cestui que trust*, the trustee is treated as a purchaser for value. See *Stokes* v. *Riley*, 121 Ill. 166, 171. Taking a negotiable instrument as collateral security for a pre-existing debt is a parting with value. See BRANNAN, THE NEGOTIABLE INSTRUMENTS LAW, 3 ed., § 25. Hence the X Bank was a holder in due course at common law, and the plaintiff could have sued in its own name since a transferee from a holder in due course has all the rights of his transferor, even though the transfer is made after maturity. *Chalmers* v. *Lanion*, 1 Campbell, 383. This result seems eminently just, but it is hard to reach under the Negotiable Instruments Law. Section 37, sub-section 2 gives an indorsee under a restrictive indorsement the right to bring "any action [on the instrument] that his indorser could bring." In the principal case the indorser could not have recovered from the defendant since there had been a failure of consideration; hence the X Bank was barred. And since "all subsequent indorsers acquire only the title of the first indorsee under the restrictive indorsement" the plaintiff cannot recover. THE NEGOTIABLE INSTRUMENTS LAW, § 37 (3). It is interesting to note that the late Dean Ames, to illustrate the injustice of section 37, stated hypothetically a set of facts almost identical with those in the principal case. See James Barr Ames, "The Negotiable Instruments Law — A Word More," 14 HARV. L. REV. 442, 446. And that the principal case destroys what little force there was to Judge Brewster's double-barrelled rejoinder that the case would never arise, and that equity would take care of it if it did. See Lyman Denison Brewster, "The Negotiable Instruments Law — A Rejoinder to Dean Ames," 15 HARV. L. REV. 26, 33.

CARRIERS — LIMITATION OF LIABILITY — EFFECT OF SHIPPER'S FAILURE TO READ VALUATION PROVISION IN UNIFORM EXPRESS RECEIPT. — Plaintiff shipped by express from one point in Michigan to another point in Michigan, a trunk, charges collect. The agent of the defendant gave him a receipt on the uniform blank, which he did not read, which declared that the liability of the express company was limited to fifty dollars, unless a greater value was declared and a corresponding increased rate paid. Plaintiff declared no excess valuation. The trunk was lost in transit. *Held*, that the plaintiff can recover full value. *Mosier* v. *American Railway Express Company*, 178 N. W. 81 (Mich.).

Carrier and shipper may stipulate, by a contract fairly entered into, that the loss, if any, shall not exceed a certain sum, at which the goods are valued. *Harris* v. *Packwood*, 3 Taunt. 264; *Hart* v. *Pennsylvania R. R. Co.*, 112 U. S.